

# Fortress Global Funds Quarterly Reports

Fixed Income Fund

Global Opportunity Wealth Fund

US Equity Fund

International Equity Fund

Emerging Markets Fund

Income Builder US Fund

Income Builder International Fund

December 31, 2020





January, 2021.

Dear investors,

The recovery in financial markets continued in the fourth quarter and the Fortress funds all posted substantial gains that were also ahead of benchmark. Our U.S., International and Emerging Markets equity funds added 13%, 17% and 26% respectively, while the Fixed Income Fund gained 1.7% even in a soft quarter for bond returns. All four of these funds finished an exceptionally volatile year in positive territory, with the Fixed Income Fund leading the way, up 10%. The Global Opportunity Wealth Fund, which has a balanced portfolio with allocations to fixed income and equities, ended the year up 7%.

The strength this quarter kicked off in early November as U.S. elections passed without incident and COVID-19 vaccine data and approvals brought hope of a return to normal life sooner rather than later. Central bank policy remained exceptionally supportive with promises of continued support in the future. This quarter's stock market rally was wide and inclusive – small capitalization shares, international, emerging, value, growth all gained. Even oil company shares rallied. Not surprisingly, long-term interest rates began to rise with the same expectations of a return to more normal levels of economic activity, and eventually, more normal (but still supportive) policy from the U.S. Federal Reserve (Fed).

In most ways, it seems financial markets have normalized well ahead of everyday life. As many of us still see constraints on our day-to-day existence, financial markets seem to be giving a collective shrug: corporate credit spreads are right back to the tight levels that prevailed this time last year, and even relatively weak companies are borrowing effortlessly, and at low cost, in the primary debt market. Inflation expectations are higher now than they were pre-pandemic, as are many share prices, after the collapses in both in March. Across a range of companies, earnings are recovering or simply continue to grow in all but the hardest hit areas. There are also some signs of speculative froth, in areas like retail trading, special purpose acquisition companies (SPACs), cryptocurrencies, micro-capitalization shares and technology valuations more broadly.

There is one conspicuous outlier, though, that has not yet returned to normal, and that is long-term interest rates. Pre-pandemic, U.S. Treasury 10-year yields were close to 2%, down from 3% just the year before. They reached a low of 0.5% in mid-2020 as the flight to quality and liquidity that gripped the financial world in March had yet to subside. More recently, these yields have moved back up to just over 1%. We would not be surprised to see them trade higher in the coming months, back towards 2% as what may be a strong economic recovery in 2021 gathers steam. These are still low rates by historic standards, and we think would remain supportive for equity valuations. But the risk – and we think likelihood – of this move is causing us to keep the duration of our fixed income portfolio relatively short and to switch out of profitable positions in inflation-linked bonds only gradually as long-term inflation break-even rates inch higher.

As more things get back to normal in financial markets, we should not forget that "normal" does not mean an absence of bad news. In the months ahead, quite aside from COVID-19, there will almost certainly be the usual intermittent parade of problems and unpleasant surprises to contend with. Getting back to normal means that the "recovery" in financial markets broadly is now largely over. And, just as importantly, many of the stocks that have led the gains in recent years are now priced for some of the most disappointing future returns, in our view. Shares trading at exceptionally high valuations have the disadvantage of an intense risk of disappointment in the face of inevitable real-world setbacks. Our portfolios are as usual positioned elsewhere. We believe owning shares in good companies at reasonable prices is one way to reduce the risk of reality not quite measuring up to expectations. And, at times, it can also be a way to earn higher returns.

Based on current valuations, this may be just such a time. 2020 was a year of exceptional outperformance of higher priced growth shares against the types of more reasonably priced shares where we typically invest. While our equity funds posted positive returns, they lagged the broad market substantially because of this ongoing dynamic. Our portfolios are not the same as the indexes, and this may matter tremendously in the years to come. We continue to see *substantial* potential for multi-year outperformance of high-quality, well-valued shares against the broad market. Today, this subset of the investment world is one of the few still priced for attractive long-term returns, even – especially – in a world that is returning to normal.

Please let us know any time you would like to discuss your investment or market conditions generally.

Thank you for investing with us.

Sincerely,

A handwritten signature in blue ink that reads "Peter Arender". The signature is written in a cursive, flowing style.

Peter Arender, CFA  
Chief Investment Officer



# Fixed Income Fund

## HIGHLIGHTS:

The Fund gained 1.7% in the fourth quarter and is up 9.6% over the past year. The Fund's holdings in corporate and inflation-linked bonds contributed to performance as government bond prices declined. Yields are still near historic lows even as post-pandemic economic recovery continues.

The U.S. Federal Reserve (Fed)'s stated objective of moving inflation over 2% at least temporarily and keeping extraordinary stimulus in place until the post-pandemic recovery is complete, has started to sink in for fixed income investors. The policy kept corporate bond yields low, but has also revived market inflation expectations, pushing long-term U.S. Treasury yields higher. U.S. Treasury 10-year yields rose from 0.7% to 0.9% during the quarter. Normalisation appears underway in everything except Fed policy.

During the quarter we tendered some corporate holdings to attractively priced issuer bids. We also initiated a 2% position in a US\$ emerging markets bond exchange traded fund with an average credit rating of BBB- and yield of about 4%. Emerging debt is one of the few areas in the credit world that has not yet fully recovered to its pre-pandemic levels. In the context of the Fund's portfolio a small allocation will likely be beneficial. The duration of the Fund remains relatively short as yields are low and credit spreads tight. We have been gradually improving the credit quality of the portfolio as spreads tighten and expect to add duration gradually if government yields continue moving higher.

## FUND OBJECTIVE

**Consistent returns and protection of principal over the medium-term with investments in high-quality bonds.**

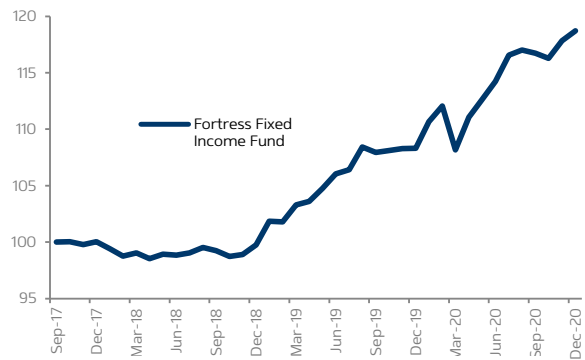
<b>Minimum Investment:</b>	US\$ 100,000
<b>Net Asset Value per Share:</b>	US\$ 118.7033
<b>Fund Net Assets:</b>	US\$ 30,318,182
<b>Fund Inception:</b>	Oct 2, 2017
<b>Strategy Inception:</b>	Oct 2, 2017
<b>Bloomberg Ticker:</b>	FORFIFA KY
<b>Dealing/NAV Dates:</b>	15th and end of each month

## INVESTMENT RETURNS

	3mo	1yr	3yr	5yr	Inception
<b>Fund</b>	<b>1.69%</b>	<b>9.58%</b>	<b>5.86%</b>	<b>n/a</b>	<b>5.42%</b>
<b>Index</b>	<b>0.67%</b>	<b>7.51%</b>	<b>5.33%</b>	<b>4.43%</b>	<b>5.05%</b>

*Periods longer than one year are annual compound returns*

## PERFORMANCE SINCE INCEPTION to 12/31/2020



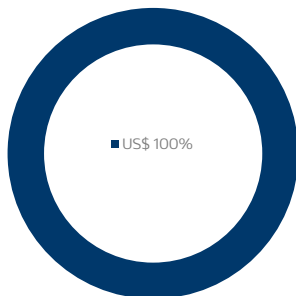
Fund returns are net of fees and withholding taxes.

## PORTFOLIO SUMMARY

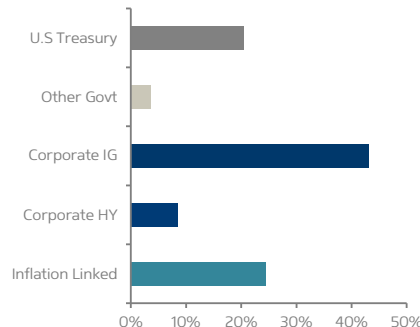
	Weight	Yield	Term to Maturity	Credit Rating*	Spread (bps)
<b>FUND</b>	<b>100%</b>	<b>1.22%</b>	<b>7.3 yrs</b>	<b>A</b>	<b>71</b>
Corporate securities	51.5%	1.53%	3.3 yrs	BBB	113
Government securities	48.5%	0.90%	12.3 yrs	AAA	27

\* Source: Bloomberg

## CURRENCY ALLOCATION



## ALLOCATION SUMMARY



## TOP 10 HOLDINGS

TSY INFL IX N/B 0.625 2/15/2043	14.1%
US DOLLAR CASH	7.1%
TSY INFL IX N/B 0.25 1/15/2025	5.9%
US TREASURY N/B 2.875 8/15/2028	5.8%
TSY INFL IX N/B 0.875 1/15/2029	4.4%
US TREASURY N/B 0.625 5/15/2030	3.9%
US TREASURY N/B 2.25 2/15/2027	3.7%
MORGAN STANLEY FLOATING 10/24/2023	2.4%
KOHL'S CORPORATION 9.5 5/15/2025	2.2%
ISHARES JPM USD EM BOND UCITS	2.1%

## EXPENSES

### Paid by the Fund

Management Fee: 0.35% of net assets per annum  
 Administrator Fee: 0.075% of net assets per annum

### Investor Redemption Fees

Within 3 months of purchase: 2%  
 All other times: 0.1%

Paid to the benefit of remaining shareholders in both cases

## INVESTMENT MANAGER

Fortress Fund Advisors Limited  
**ADMINISTRATOR**  
 Fortress Fund Managers Limited  
**PRIMARY CUSTODIAN**  
 Morgan Stanley  
**AUDITORS**  
 EY

## FORTRESS FUND MANAGERS DIRECTORS

Sir Geoffrey Cave	John Williams
Roger Cave	John Howard
Maria Nicholls	Tracey Shuffler

**FUND DIRECTORS**  
 Roger Cave  
 John Howard

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# Global Opportunity Wealth Fund



## HIGHLIGHTS:

The Fund gained 11.7% in the fourth quarter and is up 7.0% over the past year. Hopes for a "return to normal" spread through financial markets around the world after the U.S. elections in November, and encouraging announcements about early COVID-19 vaccines. This brought a rally in shares of all kinds, especially those outside the U.S., and pushed government bond prices lower.

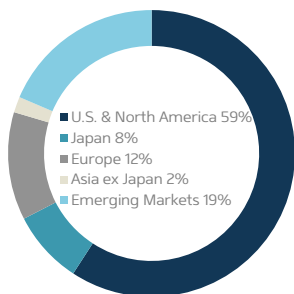
This quarter the Fund's equity returns benefited from the portfolio's tilt away from the U.S. in favour of international and emerging markets which had the strongest returns. The Fortress equity funds also outperformed their benchmarks in each area. The Fortress Emerging Markets Fund gained 26% while the Fortress International Equity Fund rallied 17%. The Fortress Fixed Income Fund also gained in the quarter in spite of rising U.S. Treasury yields as its holdings in corporate and inflation-linked bonds continued to rise.

While growth equities had one of their best years ever compared to value shares in 2020, the normalisation of behaviour since November suggests the kinds of high-quality, well-valued shares where we focus are once again capturing the attention of other investors. Valuations of growth shares suggest low or even negative future returns from today's prices, while the better valued areas are still priced for meaningful future returns. There were no significant changes to the Fund's allocations during the quarter.

## PORTFOLIO SUMMARY

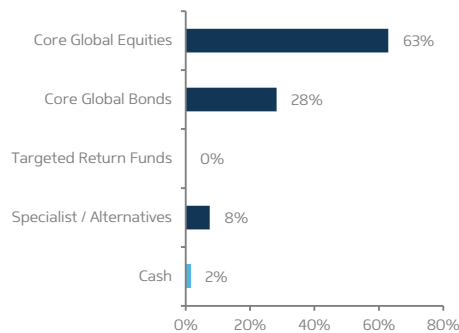
The Fund's portfolio is spread across core global equities and high-quality bonds with a long-term value orientation. The benchmark for the Fund is a blended index of **60%** global stocks and **40%** global bonds, though positioning may differ from this both structurally and tactically. The Fund may include smaller allocations to specialist managers and alternative assets depending on the value available in areas such as small capitalisation shares, real estate and emerging markets debt.

## GEOGRAPHIC ALLOCATION



Geographic allocations estimated on a look-through basis.

## ASSET CLASS SUMMARY



## FUND OBJECTIVE

Long term wealth preservation and growth for the whole portfolio.

<b>Minimum Investment:</b>	US\$ 100,000
<b>Net Asset Value per Share:</b>	US\$ 129.8009
<b>Fund Net Assets:</b>	US\$ 7,360,774
<b>Fund Inception:</b>	May 31, 2013
<b>Strategy Inception:</b>	May 31, 2013
<b>Bloomberg Ticker:</b>	FORTGOW KY
<b>Dealing/NAV Dates:</b>	15th and end of each month

## INVESTMENT RETURNS

	3mo	1yr	3yr	5yr	Inception
<b>Fund</b>	<b>11.7%</b>	<b>7.0%</b>	<b>3.7%</b>	<b>5.3%</b>	<b>3.5%</b>
<b>Benchmark</b>	<b>8.9%</b>	<b>12.5%</b>	<b>8.0%</b>	<b>9.0%</b>	<b>7.2%</b>

Periods longer than one year are annual compound returns

## PERFORMANCE SINCE INCEPTION to 12/31/2020



Fund returns are net of fees and withholding taxes.

## TOP ALLOCATIONS

FORTRESS FIXED INCOME FUND	28.2%
FORTRESS INTERNATIONAL EQUITY FUND	27.6%
FORTRESS US EQUITY FUND	22.2%
FORTRESS EMERGING MARKETS FUND	11.8%
TEMPLETON ASIAN SMALLER COMPANIES FUND	5.7%
LEGG MASON WA ASIAN OPPORTUNITIES FUND	1.8%
US DOLLAR CASH	1.5%
VANGUARD TOTAL WORLD STOCK ETF	1.3%

## EXPENSES

### Paid by the Fund

Management Fee: 0.65% of net assets p.a. (rebated for Fortress funds)

Administrator Fee: 0.1% of net assets per annum

### Investor Redemption Fees

Within 6 months of purchase: 2%

All other times: 0.2%

Paid to the benefit of remaining shareholders in both cases

## INVESTMENT MANAGER

Fortress Fund Advisors Limited

## ADMINISTRATOR

Fortress Fund Managers Limited

## PRIMARY CUSTODIAN

Morgan Stanley

## AUDITORS

EY

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FORTRESS FUND MANAGERS, RADLEY COURT, UPPER COLLYMORE ROCK, ST. MICHAEL, BB14004, BARBADOS

TEL: (246) 431-2198 invest@fortressfund.com www.fortressfund.com



# US Equity Fund



## HIGHLIGHTS:

The Fund gained 12.6% in the fourth quarter and is up 1.1% over the past year. Nearly all areas of the U.S. market rallied following the results of the November elections and positive vaccine developments. Investors appear to be pricing in a return to economic activity that is more balanced than the winner take all trends of the past few years that favoured the largest technology companies.

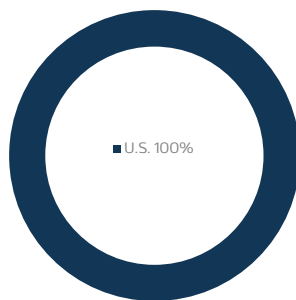
Some of the strongest returns came from reasonably priced financials where economic improvement would imply better loan quality and higher interest rates. Some of the top performers were Discover Financial Services (+57%), Morgan Stanley (+43%) and Synchrony Financial (+33%). Holdings like DR Horton (-10%), Best Buy (-9%) and Kroger (-6%) lagged after showing strength earlier in the year.

During the quarter we took profits on a long-standing position in Hormel Foods as its valuation increased above fair value. We added new holdings in home product maker Fortune Brands Home & Security, and in biopharmaceutical company Regeneron. Fortune's earnings and dividends have been growing steadily and were resilient through last year's extreme disruptions, while the price/earnings ratio (P/E) of 18x is reasonable. Regeneron meanwhile specialises in developing antibody therapies. Its revenue has grown 10-20% per year over the past five years, driving even higher levels of earnings growth. With a PE of only 12x we see significant potential value. The Fund's average PE of only 13x continues to suggest substantial future returns. Its prospects stand in contrast to those of the overall market where lofty valuations in some areas are putting it at risk of disappointing future returns.

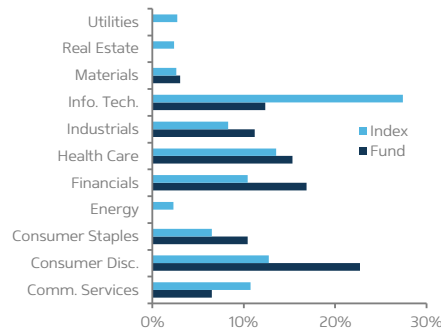
## PORTFOLIO SUMMARY

	P/E Ratio	P/B Ratio	Div Yld	ROE	Volatility
FUND	13.2	3.0	2.2%	22.7%	4.4%
Index	22.2	4.1	1.6%	18.5%	4.2%
+/-	-9.0	-1.1	0.6%	4.3%	0.2%

## GEOGRAPHIC ALLOCATION



## SECTOR ALLOCATION



## FUND OBJECTIVE

Long term growth with limited risk in U.S. large cap equities.

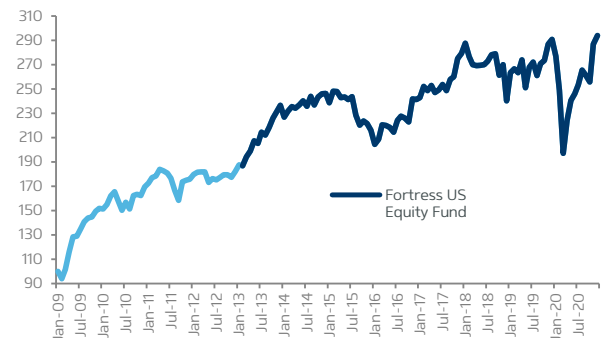
Minimum Investment:	US\$ 100,000
Net Asset Value per Share:	US\$ 157.2207
Fund Net Assets:	US\$ 16,113,494
Fund Inception:	Feb 28, 2013
Strategy Inception:	Feb 18, 2009
Bloomberg Ticker:	FORUEFA KY
Dealing/NAV Dates:	15th and end of each month

## INVESTMENT RETURNS

	3mo	1yr	3yr	5yr	Inception
Fund	12.6%	1.1%	1.7%	6.4%	9.5%
Index	12.0%	17.8%	13.5%	14.5%	15.7%

Periods longer than one year are annual compound returns

## PERFORMANCE SINCE INCEPTION to 12/31/2020



Returns prior to Feb 28, 2013 are for the composite of segregated accounts managed with the identical strategy, adjusted for Fund management and administration fees. Fund returns are net of fees and withholding taxes.

## TOP 10 HOLDINGS

TARGET CORP	4.6%
MORGAN STANLEY	4.5%
UNITEDHEALTH GROUP INC	4.4%
TRACTOR SUPPLY COMPANY	4.3%
BEST BUY CO INC	3.9%
ANTHEM INC	3.8%
AMERIPRISE FINANCIAL INC	3.8%
TE CONNECTIVITY LTD	3.7%
MCKESSON CORP	3.6%
GARMIN LTD	3.6%

## EXPENSES

### Paid by the Fund

Management Fee: 1% of net assets per annum  
Administrator Fee: 0.1% of net assets per annum

### Investor Redemption Fees

Within 6 months of purchase: 2%  
All other times: 0.2%

Paid to the benefit of remaining shareholders in both cases

## INVESTMENT MANAGER

Fortress Fund Advisors Limited  
**ADMINISTRATOR**  
Fortress Fund Managers Limited  
**PRIMARY CUSTODIAN**  
Morgan Stanley  
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# International Equity Fund



## HIGHLIGHTS:

The Fund gained 17.1% in the fourth quarter and is up 3.5% over the past year. Equities in Europe and Asia rallied on reduced uncertainty following U.S. elections and encouraging vaccine news in November. The U.S. dollar weakened, adding to returns. Valuations remained compelling even as prices recovered to pre-pandemic levels.

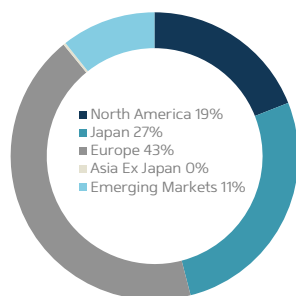
The political changes in the U.S. brought hope that international trade and relations would move to a more stable footing, while vaccine developments brought hope of a return to "normal" life. Share prices responded with their own continued return to normal. Financials had some of the strongest returns with the Fund's holdings in Legal & General (+49%) and Manulife (+29%) leading the way. Other large recoveries included Magna (+55%), while Logitech (+25%) and Ashtead (+29%) set new highs. Underlying fundamentals also made progress: companies that saw earnings drop in early 2020 have largely seen improvement in recent months and many have enjoyed uninterrupted growth through this time.

During the quarter we moved out of positions in Persimmon and Toyota Motor as their prices rose, and established new holdings in French industrial gas maker Air Liquide and UK distributor Bunzl. Air Liquide has a utility-like consistency in earnings with steady revenue growth and high barriers to entry to their capital-intensive business. Bunzl also has steady growth and was resilient through early 2020 and the disruptions since. Both trade on reasonable valuations for the low risk and high quality of their operations. We continue to find excellent value in Europe and Japan. The portfolio's average price/earnings ratio of 12x is consistent with above average future returns.

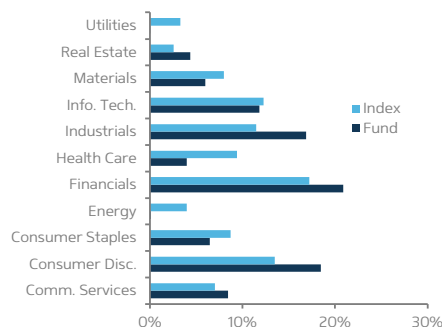
## PORTFOLIO SUMMARY

	P/E Ratio	P/B Ratio	Div Yld	ROE	Volatility
FUND	11.9	1.9	2.9%	16.0%	4.4%
Index	16.6	1.9	2.4%	11.4%	4.6%
+/-	-4.7	0.0	0.5%	4.5%	-0.2%

## GEOGRAPHIC ALLOCATION



## SECTOR ALLOCATION



## FUND OBJECTIVE

Long term growth with limited risk in non-U.S. large cap equities.

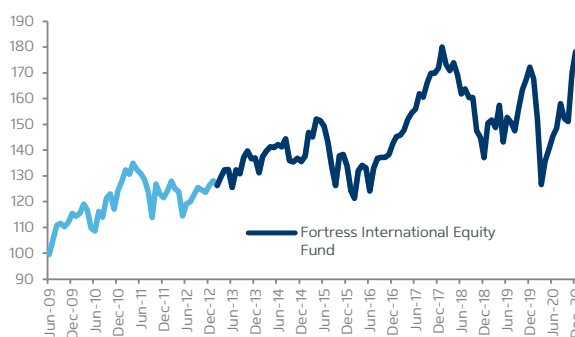
Minimum Investment:	US\$ 100,000
Net Asset Value per Share:	US\$ 141.063
Fund Net Assets:	US\$ 45,973,058
Fund Inception:	Feb 28, 2013
Strategy Inception:	Jun 30, 2009
Bloomberg Ticker:	FORIEFA KY
Dealing/NAV Dates:	15th and end of each month

## INVESTMENT RETURNS

	3mo	1yr	3yr	5yr	Inception
Fund	17.1%	3.5%	1.2%	5.9%	5.2%
Index	17.0%	10.7%	4.9%	8.9%	7.2%

*Periods longer than one year are annual compound returns*

## PERFORMANCE SINCE INCEPTION to 12/31/2020



Returns prior to Feb 28, 2013 are for the composite of segregated accounts managed with the identical strategy, adjusted for Fund management and administration fees. Fund returns are net of fees and withholding taxes.

## TOP 10 HOLDINGS

TOKYO ELECTRON LTD	5.0%
ASHTHEAD GROUP PLC	4.8%
LOGITECH INTERNATIONAL-REG	4.5%
ITOCHEU CORP	3.8%
LEGAL & GENERAL GROUP PLC	3.7%
MANULIFE FINANCIAL CORP	3.7%
KDDI CORP	3.6%
ROCHE HOLDING AG-GENUSSSCHEIN	3.6%
CANADIAN TIRE CORP-CLASS A	3.5%
TORONTO-DOMINION BANK	3.5%

## EXPENSES

### Paid by the Fund

Management Fee: 1% of net assets per annum  
Administrator Fee: 0.1% of net assets per annum

### Investor Redemption Fees

Within 6 months of purchase: 2%  
All other times: 0.2%

Paid to the benefit of remaining shareholders in both cases

## INVESTMENT MANAGER

Fortress Fund Advisors Limited

### ADMINISTRATOR

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### AUDITORS

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# Emerging Markets Fund



## HIGHLIGHTS:

The Fund gained 25.6% in the fourth quarter and is up 5% over the past year. Emerging shares and currencies strengthened as U.S. elections and positive vaccine news suggested a return to "normal" in trade and everyday life. Performance within emerging markets continued to vary widely by industry, country and individual company.

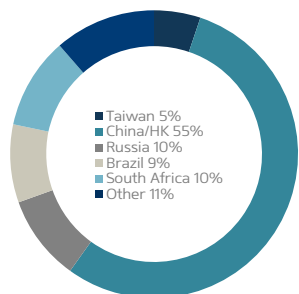
Fourth quarter performance was equal parts continued recovery from the March 2020 lows and renewed strength in past winners. The Fund's top performer was Great Wall Motor (+170%) which benefited from a bargain valuation and speculative activity around EV autos around the world. There were also outsized gains in financials like Banco Bradesco (+56%), Itau (+53%) and Nedbank (+46%). Taiwan Semiconductor (+35%) added fresh gains to an already strong year.

During the quarter we moved out of a position in Commercial International Bank Egypt and steadily trimmed surging positions in Great Wall Motor and Taiwan Semiconductor. The proceeds of these sales were added to existing holdings like Ping An, Naspers, Nedbank, SABESP and Alibaba. Company fundamentals mostly continued to improve, but it is worth noting the wide divergence of experience through 2020. Some companies like Netease, Taiwan Semiconductor and even Alibaba grew revenue and earnings all year long. Their valuations reflect this resilience. Other holdings in, for example, South Africa have yet to see meaningful recoveries and their relatively low share prices reflect this different reality. The Fund's portfolio is a well-valued mix of companies in various stages of their growth and/or recovery. With an average price/earnings ratio of only 10x we continue to see exceptional long-term return prospects from this part of the world.

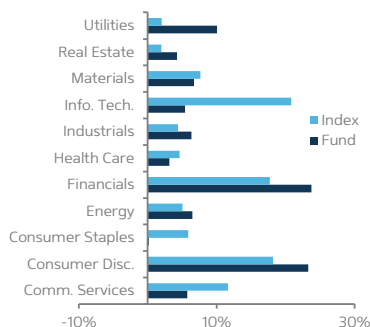
## PORTFOLIO SUMMARY

	P/E Ratio	P/B Ratio	Div Yld	ROE	Volatility
FUND	10.2	1.6	3.0%	15.3%	5.3%
Index	15.3	2.1	2.1%	13.7%	4.8%
+/-	-5.1	-0.5	0.9%	1.6%	0.5%

## GEOGRAPHIC ALLOCATION



## SECTOR ALLOCATION



## FUND OBJECTIVE

Long term growth with limited risk in emerging markets equities.

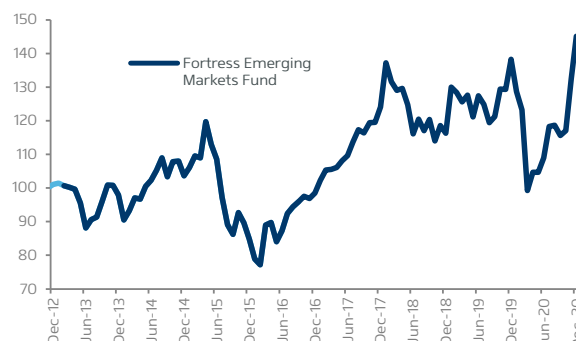
Minimum Investment:	US\$ 100,000
Net Asset Value per Share:	US\$ 144.153
Fund Net Assets:	US\$ 47,097,818
Fund Inception:	Feb 28, 2013
Strategy Inception:	Dec 20, 2012
Bloomberg Ticker:	FORTEMA KY
Dealing/NAV Dates:	15th and end of each month

## INVESTMENT RETURNS

	3mo	1yr	3yr	5yr	Inception
Fund	25.6%	5.0%	5.4%	11.4%	4.7%
Index	19.7%	18.3%	6.2%	12.8%	5.0%

*Periods longer than one year are annual compound returns*

## PERFORMANCE SINCE INCEPTION to 12/31/2020



Returns prior to Feb 28, 2013 are for the composite of segregated accounts managed with the identical strategy, adjusted for Fund management and administration fees. Fund returns are net of fees and withholding taxes.

## TOP 10 HOLDINGS

GREAT WALL MOTOR COMPANY-H	6.7%
CHINA LONGYUAN POWER GROUP-H	5.7%
HAIER SMART HOME CO LTD-H	5.5%
TAIWAN SEMICONDUCTOR-SP ADR	4.8%
US DOLLAR	4.6%
NASPERS LTD-N SHS SPON ADR	4.5%
NETEASE INC-ADR	4.1%
PING AN INSURANCE GROUP CO-H	3.7%
NINE DRAGONS PAPER HOLDINGS	3.7%
ALIBABA GROUP HOLDING-SP ADR	3.5%

## EXPENSES

### Paid by the Fund

Management Fee: 1% of net assets per annum  
 Administrator Fee: 0.1% of net assets per annum

### Investor Redemption Fees

Within 6 months of purchase: 2%  
 All other times: 0.5%

Paid to the benefit of remaining shareholders in both cases

## INVESTMENT MANAGER

Fortress Fund Advisors Limited

### ADMINISTRATOR

Fortress Fund Managers Limited

### PRIMARY CUSTODIAN

Morgan Stanley

### AUDITORS

EY

## FORTRESS FUND MANAGERS DIRECTORS

Sir Geoffrey Cave      John Williams  
 Roger Cave              John Howard  
 Maria Nicholls        Tracey Shuffler

### FUND DIRECTORS

Roger Cave  
 John Howard

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# Income Builder US Fund

## HIGHLIGHTS:

The Fund gained 12.0% in the fourth quarter and is down 5% over the past year. U.S. stocks had a wide, inclusive rally in November as hopes grew of a return to normal in politics and everyday life. The rally included the kinds of high-quality, well-valued shares that make up the Fund's underlying portfolio. Government bond prices fell during the quarter while corporate bonds strengthened.

After a year when U.S. equity index returns were dominated by the largest and highly valued technology and internet shares, fourth quarter gains included nearly every sector. The Fund's holdings among financials all participated with Discover Financial (+57%), Synchrony Financial (+33%) and US Bancorp (+31) leading the way. Disney (+46%) added more gains to an already strong year. Utilities posted small gains and consumer staples were mixed.

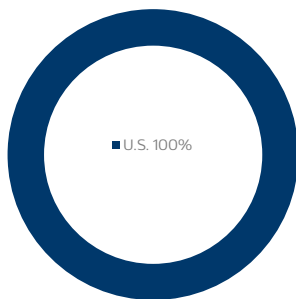
During the quarter we trimmed positions in Best Buy and Tractor Supply as their prices rose and weights in the portfolio grew. There were no substantial changes to the underlying holdings. Call option coverage was also unchanged during the quarter. With implied volatility trading above 20% call sales offered a measure of market risk protection without undue opportunity cost as share prices rose. Now that most areas of the equity market have recovered or exceeded pre-pandemic levels, we should expect gains from here to be slower. In that environment it is likely that option sales will add incrementally to the Fund's return in the months ahead. The underlying portfolio's average price/earnings ratio of 14x is still consistent with meaningful long-term returns.

## PORTFOLIO SUMMARY

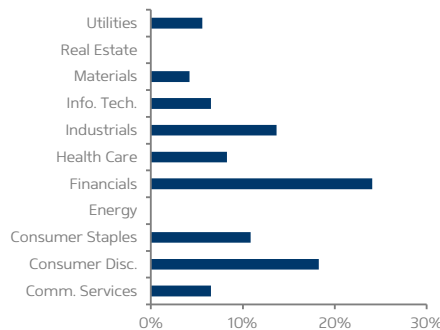
	Earnings Yield	Dividend Yield	Call Option Coverage	Put Option Protection	Monthly Volatility
FUND	7.1%	2.4%	26%	4%	3.0%

Options data are delta-adjusted

## GEOGRAPHIC ALLOCATION



## SECTOR ALLOCATION



## FUND OBJECTIVE

Target a fixed return of 8% per year with bond-like volatility.

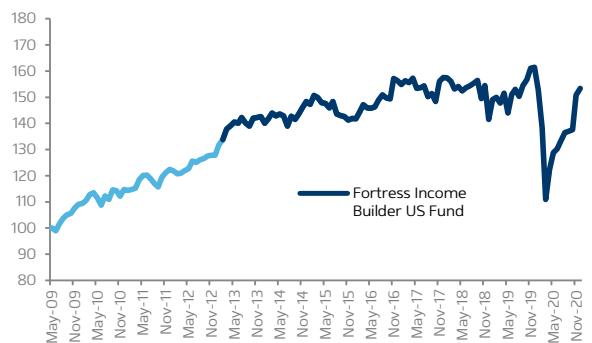
Minimum Investment:	US\$ 100,000
Net Asset Value per Share:	US\$ 114.6062
Fund Net Assets:	US\$ 13,789,195
Fund Inception:	Feb 28, 2013
Strategy Inception:	Jun 11, 2009
Bloomberg Ticker:	FORBUA KY
Dealing/NAV Dates:	15th and end of each month

## INVESTMENT RETURNS

	3mo	1yr	3yr	5yr	Inception
Fund	12.0%	-5.0%	-0.9%	1.6%	3.8%

Periods longer than one year are annual compound returns

## PERFORMANCE SINCE INCEPTION to 12/31/2020



Returns prior to Feb 28, 2013 are for the composite of segregated accounts managed with the identical strategy, adjusted for Fund management and administration fees. Fund returns are net of fees and withholding taxes.

## TOP 10 HOLDINGS

UNITEDHEALTH GROUP INC	5.1%
FORTUNE BRANDS HOME & SECURI	4.7%
DISCOVER FINANCIAL SERVICES	4.6%
TE CONNECTIVITY LTD	4.5%
AMERIPRISE FINANCIAL INC	4.5%
TRACTOR SUPPLY COMPANY	4.2%
TARGET CORP	4.2%
EASTMAN CHEMICAL CO	4.2%
BEST BUY CO INC	4.0%
WALT DISNEY CO/THE	4.0%

## EXPENSES

### Paid by the Fund

Management Fee: 1% of net assets per annum  
 Administrator Fee: 0.1% of net assets per annum

### Investor Redemption Fees

Within 6 months of purchase: 2%  
 All other times: 0.2%

Paid to the benefit of remaining shareholders in both cases

## INVESTMENT MANAGER

Fortress Fund Advisors Limited  
**ADMINISTRATOR**  
 Fortress Fund Managers Limited  
**PRIMARY CUSTODIAN**  
 Morgan Stanley  
**AUDITORS**  
 EY

## FORTRESS FUND MANAGERS DIRECTORS

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# Income Builder International Fund

## HIGHLIGHTS:

The Fund gained 22.1% in the fourth quarter and is down 1.1% over the past year. International equities rallied after the U.S. elections and positive vaccine news, and a weaker U.S. dollar added to returns. Government bonds declined and interest rates remained near historic lows in many countries. As the global economic recovery continues, high-quality, well valued shares remain one of the only areas of global capital markets still priced for reasonable future returns, in our view.

The portfolio had broad-based strength across most sectors as shares continued to recover from the stress of early in the year. Gains in consumer discretionary holdings like Magna (+55%) and Barratt Developments (48%) were standouts and financials like Legal & General (+49%) and Bank of Nova Scotia (+32%) also posted large gains. These two sectors are the portfolio's largest weights and continue to contain excellent value in our view.

During the quarter we moved out of a position in MTU Aero Engines as the shares rallied, and trimmed back the long-standing position in Tokyo Electron (+74% in 2020) as it grew further. Call option coverage was also unchanged during the quarter. With implied volatility trading above 20% call sales offered a measure of market risk protection without undue opportunity cost as share prices rose. Now that many areas of the equity market have recovered or exceeded pre-pandemic levels, we should expect gains from here to be slower. In that environment it is likely that option sales will add incrementally to the Fund's return in the months ahead. The underlying portfolio's average price/earnings ratio of 12x is still consistent with meaningful long-term returns.

## FUND OBJECTIVE

Target a fixed return of 8% per year with bond-like volatility.

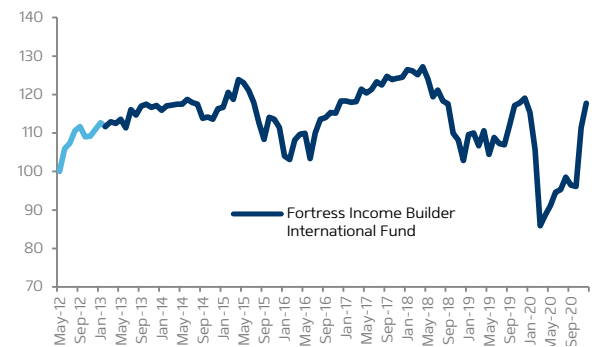
<b>Minimum Investment:</b>	US\$ 100,000
<b>Net Asset Value per Share:</b>	US\$ 105.4322
<b>Fund Net Assets:</b>	US\$ 19,181,946
<b>Fund Inception:</b>	Feb 28, 2013
<b>Strategy Inception:</b>	Jun 1, 2012
<b>Bloomberg Ticker:</b>	FORBIA KY
<b>Dealing/NAV Dates:</b>	15th and end of each month

## INVESTMENT RETURNS

	3mo	1yr	3yr	5yr	Inception
<b>Fund</b>	<b>22.1%</b>	<b>-1.1%</b>	<b>-1.8%</b>	<b>1.1%</b>	<b>1.9%</b>

Periods longer than one year are annual compound returns

## PERFORMANCE SINCE INCEPTION to 12/31/2020



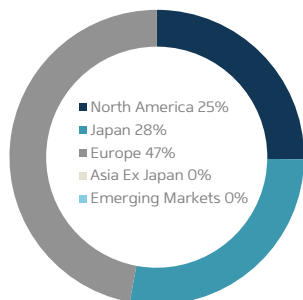
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## PORTFOLIO SUMMARY

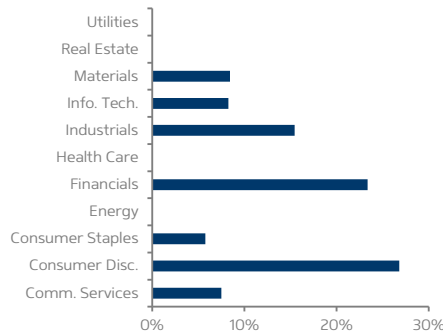
	Earnings Yield	Dividend Yield	Call Option Coverage	Put Option Protection	Monthly Volatility
<b>FUND</b>	<b>8.5%</b>	<b>2.9%</b>	<b>26%</b>	<b>3%</b>	<b>3.8%</b>

Options data are delta-adjusted

## GEOGRAPHIC ALLOCATION



## SECTOR ALLOCATION



## TOP 10 HOLDINGS

MAGNA INTERNATIONAL INC	5.2%
TOKYO ELECTRON LTD	4.7%
ITOCHU CORP	4.5%
TOYOTA MOTOR CORP -SPON ADR	4.3%
US DOLLAR	4.0%
ALLIANZ SE-REG	4.0%
MICHELIN (CGDE)	4.0%
NIPPON TELEGRAPH & TELE-ADR	3.9%
LEGAL & GENERAL GROUP PLC	3.8%
CRH PLC-SPONSORED ADR	3.8%

## EXPENSES

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